

Insurance corporate management

Purpose

To enable candidates to understand how an insurance operation is managed.

Assumed knowledge

It is assumed that the candidate already has the knowledge gained from a study of insurance organisations, finance and regulations as typically covered in IF1 Insurance, legal and regulatory or M92 Insurance business and finance or equivalent examinations.

Summary of learning outcomes

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| 1. | Evaluate the structures and management of insurance organisations |
| 2. | Evaluate the effects of chosen strategies of insurance operations |
| 3. | Evaluate financial management, including solvency capital in the management of insurance organisations |
| 4. | Evaluate the key regulatory matters affecting insurance organisations |
| 5. | Evaluate optimum governance, risk management and conduct strategies and frameworks |
| 6. | Evaluate the current and future challenges to the management of insurance organisations |

Important notes

- Method of assessment: Coursework – 3 online assignments (80 marks). Each assignment must be individually passed.
- The syllabus is examined on the basis of English law and practice unless otherwise stated.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
 1. Visit www.cii.co.uk/qualifications
 2. Select the appropriate qualification
 3. Select your unit from the list provided
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1. Evaluate the structures and management of insurance organisations

- 1.1 Evaluate the types of ownership models including the importance and sources of capital.
- 1.2 Explain the principles of organisation and apply these to relevant insurance organisations.
- 1.3 Evaluate the types of organisational structures and their advantages and challenges within workplace scenarios.
- 1.4 Analyse the decision making process and drivers for establishing non-UK (or other non-home country) headquarters.
- 1.5 Analyse outsourcing/insourcing and its effect on insurance organisations.
- 1.6 Explain the principles of strategic and operational planning and apply these to workplace scenarios.

2. Evaluate the effects of chosen strategies of insurance operations

- 2.1 Analyse the use and purpose of artificial intelligence and automated underwriting and claims management (data analytics).
- 2.2 Evaluate the range of business distribution models and changing practices.
- 2.3 Analyse the effect of strategies on client experience (public trust) and the benefits of corporate chartered status.
- 2.4 Explain the drivers for mergers and acquisitions.

3. Evaluate financial management, including solvency capital in the management of insurance organisations

- 3.1 Explain the role of the finance function.
- 3.2 Explain the principles of financial reporting and apply these to workplace scenarios.
- 3.3 Analyse financial accounts of insurance organisations.
- 3.4 Evaluate and apply corporate finance concepts in insurance organisations including the raising of capital, project appraisal and business acquisition and disposal.
- 3.5 Explain the implications of International Financial Reporting Standards (IFRS).
- 3.6 Apply the principles of the budgeting process to workplace scenarios.
- 3.7 Apply the principles of performance monitoring to workplace scenarios.
- 3.8 Explain the role of external auditing.
- 3.9 Analyse investment management and asset/liability management in insurance organisations.
- 3.10 Explain the role of actuarial departments and functions and modelling.

4. Evaluate the key regulatory matters affecting insurance organisations

- 4.1 Explain the regulatory frameworks that insurance organisations need to work with.
- 4.2 Explain the Solvency II regulatory framework.
- 4.3 Evaluate conduct of business regulatory issues (including rules for consumer disclosure) and

their impact on the management of insurance organisations.

- 4.4 Explain the regulatory requirements of the senior manager and certification regime and its impact on recruitment and development.
- 4.5 Explain the process and objectives of international harmonisation of regulation.
- 4.6 Examine the impact of rules for data protection, anti money laundering and the prevention of bribery.
- 4.7 Explain the process of credit rating and its impact on insurance organisations.

5. Evaluate optimum governance, risk management and conduct strategies and frameworks

- 5.1 Explain the principles of good governance for insurance organisations.
- 5.2 Explain the role of the Board, directors and key management.
- 5.3 Explain the principles of risk management and the role of the risk function.
- 5.4 Explain the role of the compliance function.
- 5.5 Explain the role of the internal audit function.
- 5.6 Explain the importance of key stakeholders.

6. Evaluate the current and future challenges to the management of insurance organisations

- 6.1 Evaluate the threats and opportunities faced in managing insurance organisations.
- 6.2 Make recommendations to mitigate threats and exploit opportunities faced in managing insurance organisations.
- 6.3 Evaluate transformation and change strategies.
- 6.4 Analyse incorporate globalisation and changing environment and social issues (e.g., sustainability, carbon footprint, changing social mores and cryptocurrency).
- 6.5 Analyse the application of Artificial Intelligence (AI) and machine learning.
- 6.6 Evaluate the role and importance of Managing General Agents (MGAs).

Reading list

The following list provides details of various publications which may assist you with your studies.

Note: The examination will test the syllabus alone. However, it is important to read additional sources as 10% of the exam mark is allocated for evidence of further reading and/or the use of relevant examples.

The reading list is provided for guidance only and is not in itself the subject of the examination.

The publications listed here provide a wider coverage of syllabus topics.

CII study texts

Insurance corporate management. London: CII.

Study text 990.

Insurance business & finance. London: CII.
Study text M92.

Insurance, legal and regulatory. London: CII.
Study text IF1.

Books / eBooks

A practical guide to corporate governance. 5th ed. Mark Cardale. London: Sweet and Maxwell, 2014.

A practitioner's guide to Solvency II. Geoffrey et al. (eds.). London: Thomson Reuters, 2016.

Accounting and finance for non-specialists. 12th ed. Peter Atrill and Eddie McLaney. Pearson, 2021.

Accounting for non-accountants. 11th ed. David Horner. London: Kogan Page, 2017.

Bowstead and Reynolds on agency. Peter Watts & FMB Reynolds. 22nd ed. London: Thomson Reuters, 2020.

Management: an introduction. David Boddy. 9th ed. Pearson Education, 2024.

Organisational behaviour: an introductory text. Andrzej Huczynski, David Buchanan. 8th ed. Financial Times/Prentice Hall, 2013.

Research handbook on money laundering. Daan van der Linde, Brigitte Unger. Cheltenham: Edward Elgar Publishing, 2013*

Risk culture and effective risk governance. Patricia Jackson, ed. London: Risk Books, 2014.

Risk management for insurers: risk control, economic capital, and Solvency II. Rene Doff. 3rd/2nd ed. London: Risk Books, 2015/2011.*

The role of agents in insurance business. Chapter – MacGillivray on insurance law: relating to all risks other than marine. 15th ed. Sweet & Maxwell, 2024.

eBooks

The following eBooks are available via www.cii.co.uk/elibrary (CII/PFS members only):

Basic financial accounting. 4th ed. Willen Bosua, Madri Schute. Claremont: Juta and Company Ltd., 2015.

Business risk management: models and analysis. E.J. Anderson. Hoboken: Wiley, 2014.

Evolutionary governance theory: an introduction. Kristof Van Assche, et al. Springer, 2014.

Fundamentals of enterprise risk management: how top companies assess risk, manage exposure and seize opportunity. John J. Hampton. New York: American Management Association, 2015.

Progressive corporate governance for the 21st Century. Lorraine Talbot. Oxon: Routledge, 2013.

Rethinking corporate governance. Alessio M. Paces. Oxon: Routledge, 2013.

Risk management and corporate governance in the 21st Century digital economy. Georgios Zekos. New York: Nova Scotia Pub. Inc, 2014.

Risk management at the top: a guide to risk and it's governance in financial institutions. Chichester, West Sussex: Wiley, 2014.

Strategic management in the 21st Century. Vijay R. Kannan. Calif: Praeger, 2013.

Understanding financial risk management. Angelo Corelli. London: Routledge, 2015.

Journals and magazines

The Journal. London: CII. Six issues a year.

InsurancePOST. London: Incisive Financial Publishing. Monthly. Contents searchable online at www.postonline.co.uk.

The Economist. London: Economist Newspaper. Weekly.

* Also available as an eBook through eLibrary via www.cii.co.uk/elibrary (CII/PFS members only).

Financial times. London: Financial Times.
Daily. Available online at www.ft.com.

Reference materials

Code of ethics. London: CII, 2017. Available
online at bit.ly/2UnNlgn.

Concise encyclopedia of insurance terms.
Laurence S. Silver, et al. New York:
Routledge, 2010.*

International Financial Reporting Standards.
IFRS Foundation. London: IFRS Foundation.
Annual.

Specimen guides

Specimen guides are available for all
coursework units.

These are available on the CII website under
the unit description / purchasing page. You
will be able to access this page from the
Qualifications section of the CII website:
www.cii.co.uk/qualifications.

Exam technique/study skills

There are many modestly priced guides
available in bookshops. You should choose
one which suits your requirements.